

## WEATHER FORECAST.

Increasing cloudiness, followed by rain with mild temperature to-day.  
Highest temperature yesterday, 38; lowest, 39.  
Detailed weather reports will be found on editorial page.

VOL. LXXXVI.—NO. 94—DAILY.

NEW YORK, FRIDAY, DECEMBER 2, 1921.—ENTERED AS SECOND CLASS MATTER.

PRICE TWO CENTS

THREE CENTS

WITHIN 20 MILES

FOUR CENTS ELSEWHERE

## I. R. T. MEN REFUSE TO WAIVE IMMUNITY AND ARE DISMISSED

Five of 7 Directors Appear at  
Transit Hearing, but  
Fail to Testify.

### BELMONT ON DEFENCE

Insists Company's Credit  
Might Be Impaired by  
Testimony.

### CRITICISES COMMISSION

Thinks State Body Aims to  
Hurt Standing of Lines in Or-  
der to Get Them Cheaply.

Six of the seven directors of the Interborough Rapid Transit Company summoned by subpoena to testify before the Transit Commission appeared at its hearing yesterday morning. Under advice of counsel they, one and all, refused to sign waivers of immunity. As the commission declined to interrogate them concerning swollen dividends, shrunken assets and other phases of the corporate management from 1917 to 1919 except under waiver of immunity the witnesses were dismissed.

Their leaving the examination room marked the close of a sensational incident for the time being. It did not occur, however, until after there had been a lively exchange of views, bristling at times with evidences of heat, between August Belmont, chairman of the Interborough board of directors, on the one hand and George McAneny, chairman, and Clarence J. Shearn, special counsel of the commission, on the other.

Directors who appeared in person were Mr. Belmont, Edward J. Berwind, chairman of the Interborough Rapid Transit executive committee; Brig-Gen. Cornelius Vanderbilt, Morgan J. O'Brien, Daniel G. Reid and F. de Courcy Sullivan. They entered the examination room attended by De Lancey Nicolai and John G. Milburn of their personal counsel.

### Cuyler Stands With Others.

James L. Quackenbush, general counsel of the Interborough, also was present to protect the interests of the company, and explained that T. De Witt Cuyler, the seventh director subpoenaed, had sent word from Washington that he would accept service on his return to-day. When counsel assured the commission, however, that Mr. Cuyler stood with his associates in refusing to waive immunity and in their general attitude he was excused from attendance.

Though Mr. Belmont was not interrogated he was permitted to make for the record a voluminous statement, in which he defended his position and that of his fellow directors, all of whom, he said, so far from profiting by "thimble riggering" methods in the stock market, had suffered severe financial losses, his own the greatest.

Mr. Belmont rebuked Mr. Shearn, turning toward the commission's counsel, he shook his finger, in emphasis and said in a voice tense with feeling:

"Your sweeping assertion of the directors being interested in gambling in connection with the property, I think, was uncalled for and should have awaited this examination. You made the statement, and I wish to repudiate it so far as I am concerned."

The banker referred feelingly to his own pioneer work in behalf of the first subway and spoke with bitterness of the abuse and criticism that had been his reward.

### "Company's Credit Involved."

Mr. Belmont insisted it was not personal considerations or fear of the consequences of their act on the part of him and his associates that caused them to refuse a waiver of immunity. They were prompted solely by a recognition of their responsibility in maintaining as far as possible the credit of the corporations of which they are the chosen representatives.

The transit financier further made the flat assertion that he believed the commission sought to depreciate the credit of the Interborough in the hope of requiring it for the city under the commission's plan, "as easily and cheaply as possible."

Mr. Belmont seemed somewhat nervous when he mounted the witness stand and was sworn. Later, as he launched into his defensive statement, he was more at ease and frequently emphasized his points by gesturing freely with his hands. His five fellow directors, who had no part other than that of spectators, sat in a group near the counsel table, listening intently. Mr. Vanderbilt, who was suffering from a cold, coughed at intervals and often appeared a rumpled handkerchief to his lips.

Mr. Shearn, in opening the proceedings, told his witness the commission desired to question him especially concerning the declaration of dividends by the I. R. T. and the Interborough Consolidated at periods when, as it appears to the commission, a very serious question arises whether the dividends were not declared out of capital.

"Now," said Mr. Shearn, "inasmuch as

## Henry Ford's Railroad Lays Off 150 Employees

Special Despatch to THE NEW YORK HERALD.  
SPRINGFIELD, Ohio, Dec. 1.—Henry Ford's railroad, the Detroit, Toledo and Ironton, has been hit by a slump in freight business. As a result an order became effective to-day laying off 150 employees for December. The Springfield office, roundhouse and yard force are affected. Between Napoleon and Ironton fifty-nine section men were given a month's vacation.

## DUDLEY F. MALONE'S WIFE GETS DIVORCE

New York Friends of Couple  
Surprised to Hear of  
Decree in Paris.

### SHE REMAINS IN EUROPE

Former Collector, Now Practising Law in French Capital, Is Here on Visit.

Friends of Dudley Field Malone and Mrs. Malone learned with surprise yesterday that a decree dissolving their marriage was obtained by Mrs. Malone in Paris last summer. At the time Mr. Malone was practising law in Paris, and Mrs. Malone's father, former United States Senator James A. O'Gorman, was also in that city.

French courts will grant a decree of divorce on several grounds, and it could not be learned yesterday which was employed by Mrs. Malone. She has not returned to this country since the judgment was granted.

Friends of the couple were aware that they had not lived together for several years. It was understood that the principal objection to a divorce came from Mr. and Mrs. O'Gorman, and was based on religious grounds, the family having been prominent in Catholic affairs in this city. Mr. O'Gorman spent three months in Europe last summer, and his return to this country he described his vacation abroad as the best he had ever had because it was the first he had taken in fifteen years.

Mr. Malone has been practising law in Paris for more than a year in association with the law firm of Hays & Washburn of this city. He has been in New York for the last several weeks and is staying at the Vanderbilt Hotel. When asked about the divorce last night he said:

"Mrs. Malone did me the honor to become my wife and we are very good friends. That is all I care to say."

The name of Dudley Field Malone first became generally known when President Wilson, in his first term, appointed him an Assistant Secretary of State and later Collector of the Port of New York. While Collector some of his criticisms of the policy in Washington failed to arouse enthusiasm there, and soon afterward he resigned his collectorship, giving as his reason that he wished to devote his whole time to the cause of woman suffrage. In the late gubernatorial campaign he ran for Governor as the nominee of the Farmer-Labor party.

### SUBWAY TRAIN KILLS BOY AFTER LOST NICKEL

He Climbed Through Grating  
and Onto Tracks.

John Martin, 13, of 172 East 102d street, dropped a nickel through the subway grating at Lexington avenue and 104th street yesterday afternoon. He lifted the grating and climbed down to the subway tracks, but was killed by a north bound local train as he leaned over the grating, giving as his reason that he wished to devote his whole time to the cause of woman suffrage. In the late gubernatorial campaign he ran for Governor as the nominee of the Farmer-Labor party.

### TARIFF AND SHIPPING TO BE HARDING THEMES

Message to New Congress  
Will Probably Urge Subsidy.

WASHINGTON, Dec. 1.—President Harding's message to the new Congress next week, it was declared by a high official to-day, will deal principally with two subjects, the tariff and the merchant marine.

Mr. Harding is expected by those close to the White House to say that tariff revision and passage at the earliest possible date are urgently necessary.

He is expected to take a definite stand for the granting of some sort of tariff subsidy, probably preferential rates and routes, as supplementary to the granting of free tolls to coastwise shipping through the Panama Canal.

### PERSIAN RAIDERS STRIP 3 GIRLS FROM AMERICA

Tribesmen Shoot 500 Prisoners  
and Loot a Town.

LONDON, Dec. 2 (Friday).—A despatch to the London Times from Teheran, dated Tuesday, says wild tribesmen raided the American Lutheran Mission at Sybulak October 7 and tore the clothes off three Americans, the Misses Schofield, Fossum and Gardner, and brutally handled M. Bachmont, a Frenchman attached to the mission. Mrs. Bachmont was found two days later in a distraught condition, hiding in a ruin house.

Five hundred gendarmes who surrounded the town in batches and shot down with machine guns. After the tribesmen withdrew, but no Persian troops had occupied the town when the news reached here. Two thousand gendarmes and Cossacks, however, were at Mianodab.

## FRANCE TO REQUEST THAT MORSE BOARD FIRST VESSEL HOME

Acts for U. S., Which Will  
Not Forcibly Interfere  
With Financier.

### NO JURY ACTION YET

Sons Deny Trip Is an Evasion  
of Any Government  
Prosecution.

### DOCTOR ORDERED VOYAGE

Three in Year Forced by  
'Malady Which Is Grow-  
ing More Serious.'

Special Despatch to THE NEW YORK HERALD.  
New York Herald Bureau,  
Washington, D. C., Dec. 1.

Officials of at least three Government departments, who were considerably flustered to-day when they learned that Charles W. Morse had left the country, have settled down to-night to await his return to a United States port from France.

Mr. Morse, financier and shipbuilder, against whom the Shipping Board has compiled evidence which it intends to submit to a Grand Jury in Washington, will not be forcibly arrested or detained, either in France or on the high seas, as was reported. It was learned on high authority to-day that instead he will be politely but firmly requested by French authorities to take a return vessel for the trip home as speedily as possible.

Action will be taken by French authorities on suggestion from Washington, and on the ground that Mr. Morse is an undesirable foreigner and not welcome in the French republic. Under French immigration laws any foreigner not regarded as desirable can be sent back to his native country on the next available boat.

There is no charge against Mr. Morse, and the Government has not yet presented any data to the Grand Jury. The District of Columbia Grand Jury will not meet until December 8. Consequently Mr. Morse cannot be extradited or any equivalent action taken, though Government officials say his presence will be secured.

Last night the Department of Justice sent a number of hurried wireless messages to the French republic, asking the French coast, and requested the navy to have a destroyer meet the vessel and take Morse off, if possible. It was found, however, that such a course would be a violation of international law and no action was taken.

The Department of Justice has a number of operatives in France and they will doubtless be on the dock at Havre when the Paris docks to-morrow noon.

### Can Use Police Powers.

If the Government feels it necessary to use police powers in connection with the cooperation of the French Government which would effectively restrain or guide the movements of the financier and shipbuilder. It is understood on good authority that the suggestion has already been made through diplomatic channels to the French Government that France give her assistance by taking such action as is possible to secure the return of Mr. Morse to the United States.

Elmer Schlesinger, general counsel for the Shipping Board, after conferring with the chief of the Bureau of Investigation, the Attorney-General in charge of the Morse case, said this afternoon the only statement he cared to make was that the Government would do everything within its power to bring Morse back to America.

A similar statement was made by the Department of Justice. William J. Burns, chief of the Bureau of Investigation, has taken personal charge of the case so far as the Department of Justice is concerned, and it was stated the return of Mr. Morse would be secured.

Secretary of the Navy Denby said no request had been made for the use of destroyers to intercept the Paris and Havre, which course was impossible under international law.

### Sons Deny Evasion.

Sons of Charles W. Morse issued a statement to-night through Wilton J. Lambert, their counsel, stating the elder Morse had not sought to evade any Government action and was willing to return to this country at any time his presence was desired. Sweeping denial was made of reports that he had fled in disguise, and it was stated that Morse and the other Morises were ready and willing at any time to meet any Government action or procedure.

"Attention has been called to the statement said, 'to articles appearing in the daily press, the tendency of which is to give the impression that Mr. Morse has surreptitiously and in disguise sailed from the United States to avoid some proposed Grand Jury investigation. The truth is he sailed on the Paris Friday of last week under a passport issued to him by the United States Government. Government officials at the pier, without any knowledge of the Government's intentions beyond the fact they have been making an investigation for over a year. He did not know the Government proposed to lay the matter before the Grand Jury, nor does he, or any member of his family know except by rumors that there is any such intention. He could not have anticipated that Mr. Morse, special counsel for the Shipping Board, would do the unprecedented thing of announcing his purpose publicly, which course was made public five days after he had sailed."

"The sailing last month was his third sailing to Europe within the last twelve months for the treatment of a malady which seems to be growing daily more serious. The last sailing was under the advice of his family physician that he would have to undergo an operation if he desired to save his life. He will come back to the United States whenever his presence is desired and when he is in physical condition to do so."

"It is false for any one to suppose he

Continued on Page Four.

## RIOTING IN VIENNA EXPLODES LOT FOR SOCIALIST REPUBLIC

Workingmen, Incited by  
Communists, Wreck and  
Pillage in Capital.

### TO CONFISCATE GOLD

Extremists March to Par-  
liament House and Pre-  
sent Demands.

### AMERICANS ATTACKED

Robbed of Jewelry as Leading  
Hotels Are Wrecked and  
Looted.

Special Cable to THE NEW YORK HERALD.  
Copyright, 1921, by THE NEW YORK HERALD.  
VIENNA, Dec. 1.—Using as an excuse the rising prices of all necessities of life and the disturbed economic conditions obtaining in Austria, the extreme elements here are trying to bring about a revolution and proclaim a Socialist republic. Rioting of a more serious nature than anything Austria has known since the downfall of the Hapsburg monarchy occurred in Vienna to-day in connection with a big demonstration by workmen.

The demonstration was inspired by the Socialist party, but according to some officials its execution has been traced to Communist sources. Several thousand workers from the suburbs of Vienna marched to the Parliament House, smashing windows en route, and submitted to the Government a list of demands which included the seizure of all foreign currency and State collection of all gold in Austria, including gold utensils in churches and monasteries, as well as heavier taxes on wealth and the immediate institution of a children's insurance scheme.

Count Cernin, formerly Austro-Hungarian Foreign Minister, speaking to-day at a meeting here designed to rally the Conservative element against the Socialists, declared that if chaos resulted in Austria from the present movement the Entente Powers might decide to turn Austria into a neighboring State.

Count Cernin caused a sensation when he declared he had private information from France and England that the latter two countries were secretly planning to overthrow the Government here, and were regarded as extreme by thinking elements here.

### VIENNA IN NEW FURY OF WINDOW SMASHING

Americans in Hotels Attacked  
and Robbed.

VIENNA, Dec. 1 (Associated Press).—To-day's disturbances spread through the lower city, and included every unadorned window was smashed. All the famous restaurants and hotels frequented by foreign visitors were entered, looted and wrecked and the luxury shops robbed, while the police looked on without interfering.

The riots had their inception in a general strike in the industrial suburb of Floridsdorf. The strikers marched to Parliament and were joined by thousands from their districts. A deputation waited on Chancellor Schober and demanded the abolition of the Stock Exchange, cancellation of foreign exchange and a more effective food control.

The deputation received an evasive answer, in his opinion, and as the demonstrators refused to be satisfied, they proceeded to the shopping district, where they attacked every well dressed person and stormed and plundered. The rioters divided into several columns, one attacking the cafes, hotels and stores, another storming the empty Stock Exchange, while others proceeded to the shopping district, where they attacked every well dressed person and stormed and plundered.

Vienna to-night is a awful sight. All the cafes are closed and the streets are in darkness. The occupants of the hotels, hearing that the workmen threatened to enter the hotels, fled early in the afternoon and remained huddled in doorways in the residential quarters, begging for shelter. Large crowds collected in the streets, demanding to be protected, and their assistance.

If the rioting is resumed, a high police official informed the correspondent, he feared that in the absence of military forces the police would be inadequate to prevent pillage and murder and the storming of the dwellings of prominent bankers and business men and the Jewish quarters. According to this authority many persons were injured, although the exact number has not been established.

A large force of mounted police to-night scattered the crowds, driving a solid body of workmen back to their home districts.

Many Americans staying in the hotels were attacked, and some of them were robbed of their jewelry. Mrs. Dand, wife of a Colonel in the United States Army, and her daughter, were robbed of furs and clothing, but on the same floor, Col. and Mrs. Miller, U. S. A., displayed the American flag and spoke English and the rioters walked past their room. Authorities say the disturbance was traceable to Communist sources.

Of the hotels the new Bristol and the old Bristol suffered most. They were partially wrecked and were looted to the second floor. Inquiries at the hotels disclosed that the rioters had broken into the hotel and looted it. In some instances the Jews' being torn from the cars.

The Associated Press correspondent said one of a squad of policemen, who had been sent to the Hotel Bristol, Imperial, if there were not sufficient police to handle the situation. He replied: "We are tired of shooting and being shot. These people are hungry and desperate; so are many of us."

The police, for the first time in the many demonstrations that have occurred here, seem to have feared utterly in the role of preservers of the peace, or else they were acting, it was assumed, under instructions from the authorities who may have feared turning a riot that

Continued on Page Three.

## TOKIO SURE TO ACCEPT 5-5-3 RATIO; WORLD BAN ON POISON GAS URGED; NAVAL HOLIDAY CHANGE PROBABLE

TENYEAR STOPPAGE  
FOUND INEQUITABLE

Experts Say Scheme Would  
Work to Alternate Disad-  
vantage of Nations.

### NEW PLAN IS SUGGESTED

General Principle to Be Re-  
tained, but Method of Car-  
rying It Out Changed.

By A. MAURICE LOW.

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Is a naval holiday for ten years an idealistic conception but a practical impossibility? British and American delegates and their technical advisers have regretfully come to the conclusion that it is. That statement, however, need not cause apprehension or lead to the belief that Mr. Hughes' magnificent aspiration must be abandoned, but it does mean there must be considerable modification in the plan as originally proposed by the American Government.

The modifications do not affect the principle agreed on in regard to capital ship tonnage. In the working out the calculations on the basis of the Hughes proposals it was discovered by our experts that if no ships were built for ten years, the full term of the naval holiday, in 1932, when the first replacements are allowed, Great Britain would be privileged to build twelve ships of 35,000 tons each, that being the maximum for capital ships of the latest design and embodying the newest inventions.

At that time the United States would have the right to lay down four ships and Japan one. The reason Great Britain secures this advantage is that new ships may be built only to replace existing vessels twenty years old, and as the British ships are older than the American, the majority of British replacements will take place long in advance of the American.

British Fleet Superior.  
Hence if the American plan should be carried out, in 1932, allowing two years for construction, instead of the British and American navies being on an equality, which was the purpose designed by Mr. Hughes, the British navy would be so vastly superior, not in the number of ships, but in design and in armament, that there would be no comparison between the two navies, which, of course, is the last thing that Mr. Hughes or any other American intended. The balance would be redressed some six years later, when, as the older American ships are replaced with the new vessels, dominance would pass from the British to the American navy, and the armament would fluctuate at periods of from five to ten years so long as the agreement continued.

Mr. Hughes was immediately called to the attention of the American delegates, who, after careful study, agreed with our own conclusions.

The proposal now under consideration, which has been provisionally agreed to by the American delegation, will eventually be adopted, is that instead of there being a complete cessation of building for the next ten years, there shall be provided for skilled apprenticeship in the building of ships, two ships in every three years, which would not affect the aggregate capital ship tonnage, but would correct that fluctuating preponderance which statesmen as well as professional men regard as dangerous and impractical. By allowing two ships to be built every three years a moderate amount of employment would be provided for skilled apprentices and the expense of maintaining idle yards and paying subsidies would be appreciably lessened. In fact, instead of the proposed arrangement increasing the tax burden, it would be lighter than if the full naval holiday was put into effect.

### Japan Causes No Worry.

So far as Japan's apparent stubborn determination to insist upon a battle-ratio ratio of 10-10-7, instead of the American formula of 5-5-3, among the delegates there is not the slightest uneasiness. Japan, say the foreign delegates, wants to have the Mutsu and naturally she will fight for it. Japan does not want to see the American fleet expanded in the Pacific fortified and forced to match gun for gun and furnish the tax burden for the expansion of her military budget. Men have been taken out in more than one diplomatic negotiation admit Japanese strategy, but are not alarmed. Can Japan, they say, afford to stand out against the conscience of the world and against the United States? They say the question needs no answer, but they concede there is plenty of time and much opportunity for skillful bargaining.

### BALFOUR WORKS HARD TO ABOLISH SUBMARINE

May Speak on Subject During  
New York Visit.

Special Despatch to THE NEW YORK HERALD.  
New York Herald Bureau,  
Washington, D. C., Dec. 1.

That Arthur J. Balfour, head of the British delegation to the naval conference, is doing all in his power to bring about the abolition of the submarine was indicated strongly by the British again to-day. The British delegates are not certain of the ultimate effect of their protests, but they apparently feel that the members of the American delegation are showing a sympathetic consideration of the issue.

Following the vigorous denunciation of the outlawry of the sea by Mr. Balfour at the second open session of the conference, the British have left no stone unturned to press upon their associates in the conference the fact that they look on the submarine as a weapon which can hardly be used without being abused.

Mr. Balfour is convinced and feels that he can convince others that the submarine is a deadly weapon, even as a defensive weapon for weak nations. It is probable that at the first opportunity, perhaps while he is in New York next week, Mr. Balfour may speak again in public against the use of the submarine.

### 1,741 KILLED BY MOTORS IN STATE TO NOV. 30

Deaths Were Only 1,429 in  
Entire Year of 1920.

A report of traffic accidents from January 1 to November 30 prepared by the National Highway Protective Society showed that 1,741 persons were killed by automobiles and motor trucks in this State, as against 1,429 for the entire year of 1920. It was predicted that this year's record will be just short of 2,000.

During November 25 persons were killed from these causes in the State. In this city sixty-six were killed by automobiles and motor trucks and seven by trolley cars.

PROF. CHITTENDEN TO RETIRE.  
NEW HAVEN, Dec. 1.—Russell H. Chittenden, for nearly twenty-five years director of the Sheffield Scientific School, Yale University, will retire next June. It was announced to-night. Prof. Chittenden, who is 65 years old, was graduated from "Sheff" in 1875.

LIMIT USE OF SUBMARINE  
AND OUTLAW GASIN WAR,  
RECOMMENDED TO PARLEY

Advisory Committee Makes Suggestions Which  
American Delegation Is Expected Soon to Put Be-  
fore Arms Conference—Proposals Backed by  
Public Demand Here and Abroad.

Special Despatch to THE NEW YORK HERALD.  
New York Herald Bureau,  
Washington, D. C., Dec. 1.

Complete abolition of the use of poison gas as a weapon of warfare by all nations was recommended to-day as a result of a vote in the American advisory committee of the Conference for the Limitation of Armament, Pacific and Far East questions.

The advisory committee also approved restriction of the use of submarines.

The action taken by the advisory committee will be laid before the American delegates to the conference.

Abolition of poison gas is regarded as almost certain of approval by the conference. Restrictions of the number and purposes of the submarine also will come up soon, it is believed, for action by the conference in response to the growing popular demand in the United States. Great Britain and other countries for the outlawing of weapons introduced into the late war in a manner calculated to outrage the sensibilities of humanity.

Popular demand for abolition of the submarine and poison gas developed following a vigorous campaign for their elimination by THE NEW YORK HERALD and other newspapers. The proposal was taken up and applauded by members of Congress and by high Government officials in Washington. Spreading through the United States, the agitation against the outlaw instruments of war was and still is receiving the approval and support of educators, church congregations, chambers of commerce and civic bodies in many sections of the country.

### Public Demand Checked Up.

Sentiment for outlawing the submarine and poison gas was checked up for the American advisory committee and the American delegates by the subcommittee on public information of the advisory committee. A daily bulletin showing public sentiment on this and other questions before the conference, as interpreted from newspapers and magazines, was framed by the subcommittee on public information.

It may be several weeks before either proposal is introduced formally to the delegates of this and other nations in the conference proper. Meanwhile sentiment for action by the conference to minimize the horrors of modern warfare will be growing in the United States and in other countries, especially in Great Britain, where there is a strong demand for the complete abolition of the use of the submarine.

American delegates to the conference, however, are expected to oppose, on advice of their naval experts, the complete outlawing of the submarine on the ground that it is invaluable to this country to guard our long coast line. The American delegation is believed to favor the reduction of the submarine tonnage proposed in the Hughes programme and the formulation of rules of warfare to restrict the activities of undersea boats.

### Military Against Poison Gas.

In the Hughes programme England and the United States are allowed each 30,000 tons of submarines. How much of a reduction from this tonnage will be agreed to by the American delegation is at present pure speculation. The extent of the reduction, it is predicted, will depend upon the support which is given during the next few weeks to the movement to completely abolish the use of the submarine weapon.

Although American naval men are reluctant to part with the submarine, American military men are anxious to outlaw poison gas. Military members of the advisory committee voted unanimously to outlaw gas. The proposal was laid before the advisory committee by a subcommittee headed by Gen. Pershing.

Military men the world over are believed to be in accord with the views of the Americans. It is this which leads to the belief that international action will be taken by the conference proper to put into effect the recommendations of the American advisory committee.

After the official close of the exchange market the dollar recovered somewhat on a rumor that in return for a moratorium the Allies would insist on such severe conditions that the German Government would find itself unable to accept them.

It has been assumed that the decline in the value of German money would continue according to the precedent set by the Austrian crown, which has fallen to \$560 to the dollar, and it has been assumed that one had only to buy standard stocks and sell again to be assured of a steady revenue. It is expected that large banks to-morrow will attempt to stimulate foreign money in the hope of saving their most reliable customers, but it is believed that large numbers of them are too hopelessly involved to be rescued.

BERLIN, Dec. 1 (Associated Press).—After the official close of the exchange market the dollar recovered somewhat on a rumor that in return for a moratorium the Allies would insist on such severe conditions that the German Government would find itself unable to accept them.

LONDON, Dec. 1 (Associated Press).—German marks underwent further marked recovery on the London exchange market this morning. Heavy buying sent the rate to 750 to the pound sterling, against yesterday's close of \$80. Profit taking sales by speculators who bought at the highest figure caused occasional reactions, but purchases predominated.

The recovery was assisted by optimism regarding the negotiations now proceeding between Dr. Walter Rathenau, former German Minister of Reconstruction, and the financial heads of the British Government in regard to Germany's forthcoming reparations payments and the possibility of a moratorium.

ROB EXPRESS CO.; GET \$40,000.  
NIAGARA FALLS, N. Y., Dec. 1.—Armed robbers secured loot valued at \$40,000 in a holdup of three express companies here to-day.

The robbers loaded two strong boxes into an automobile and drove away while many persons watching them thought that it was all a joke.

FLORIDA-ATLANTIC COAST LINE will arrange your trip South. Export information at office, 1256 B'way (32nd St.).—Ad.

### THE BEST IN ITS HISTORY.

The New York Herald, with all that was best of The Sun intertwined with it, and the whole revitalized, is a bigger and better and sounder newspaper than ever before.

PRICE TWO CENTS

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### NAVY PLAN IS SAFE

Japan Certain in Crisis  
to Avoid Isolation by  
Remaining as One of  
Five Big Powers.

### HIROHITO FOR REFORM

New Mikado to Block Any  
Move to Slip Back Into  
Reactionary State.

### 10-10-7 IS NOT ULTIMATUM

Shantung Conversations Are  
to Continue Several Days  
Before Decision.

### By LOUIS SEIBOLD.

Special Despatch to THE NEW YORK HERALD.  
New York Herald Bureau,  
Washington, D. C., Dec. 1.